

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 1195 - SB 1147**

March 19, 2017

**SUMMARY OF BILL:** Prohibits the Department of Children's Services (DCS), if law enforcement is investigating a parent or legal guardian based on a good faith allegation or a reasonable belief supported by facts that the parent's child is a victim of child abuse, as defined in § 39-15-401 or § 39-15-402, or child sexual abuse, as defined in § 37-1-602, from instituting, or recommending instituting, reunification proceedings between the parent or legal guardian and the child until written approval is obtained by the District Attorney General of the appropriate judicial district wherein the alleged abuse occurred; the investigation is closed by the law enforcement agency; and it is determined by a court of competent jurisdiction that reunification of the parent or legal guardian and child is in the child's best interests.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$7,484,400/FY17-18**

**\$13,313,800/FY18-19 and Subsequent Years**

**Increase Federal Expenditures - \$4,793,700/FY17-18**

**\$8,147,700/FY18-19 and Subsequent Years**

**Assumptions:**

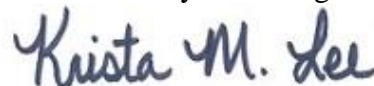
- Based on information provided by the DCS, the proposed legislation will impact the ability to close cases within 60 days.
- Of the 1,482 children meeting the provisions in the proposed legislation, it is estimated that 20 percent or 296 (1,482 x 20.0%) children will experience an average increase in the length of stay of 2 years. The average cost per day per child in care is \$85. Beginning in the second year (FY18-19 and subsequent years) the amount of children will increase to and level off at 592 (296 + 296).
- The increase in expenditures associated with the increase in the length of stay for the first year (FY17-18) is estimated to be \$9,183,400 (296 children x 365 days x \$85). The recurring increase in expenditures associated with the increase in the length of stay is estimated to be \$18,366,800 (592 children x 365 days x \$85) in FY18-19 and subsequent years.
- The increase in expenditures in FY17-18 of \$9,183,400 will consist of \$5,829,416 in state and \$3,353,984 in federal funding, as follows:
  - \$4,408,032 in DCS state funds (\$9,183,400 x 48.0%).
  - \$1,421,384 in TennCare state funds [(\$9,183,400 x 45.0%) x 34.395%]

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- \$2,711,146 in TennCare federal funds [ $(\$9,183,400 \times 45.0\%) \times 65.605\%$ ]
  - \$642,838 in Title IV-E federal funds  $(\$9,183,400 \times 7.0\%)$ .
- The recurring increase in expenditures in FY18-19 and subsequent years of \$18,366,800 will consist of \$11,658,831 in state and \$6,707,969 in federal funding, as follows:
  - \$8,816,064 in DCS state funds  $(\$18,366,800 \times 48.0\%)$ .
  - \$2,842,767 in TennCare state funds [ $(\$18,366,800 \times 45.0\%) \times 34.395\%$ ]
  - \$5,422,293 in TennCare federal funds [ $(\$18,366,800 \times 45.0\%) \times 65.605\%$ ]
  - \$1,285,676 in Title IV-E federal funds  $(\$18,366,800 \times 7.0\%)$ .
- The DCS will require 39 additional case managers, 8 team leaders, and 2 team coordinators to account for the increase in the length of stay of children in care as a result of the proposed legislation.
- The recurring increase in expenditures associated with the additional positions is estimated to be \$3,094,692 (\$1,732,800 salaries + \$626,892 benefits + \$735,000 other costs).
- The recurring increase in expenditures of \$3,094,692 will consist of \$1,654,972 in state and \$1,439,720 in federal funding, as follows:
  - \$1,175,983 in DCS state funds  $(\$3,094,692 \times 38.0\%)$ .
  - \$478,989 in TennCare state funds [ $(\$3,094,692 \times 45.0\%) \times 34.395\%$ ]
  - \$913,623 in TennCare federal funds [ $(\$3,094,692 \times 45.0\%) \times 65.605\%$ ]
  - \$526,098 in Title IV-E federal funds  $(\$3,094,692 \times 17.0\%)$ .
- The total increase in state expenditures in FY17-18 is estimated to be \$7,484,388  $(\$5,829,416 + \$1,654,972)$ .
- The total recurring increase in state expenditures beginning in FY18-19 is estimated to be \$13,313,803  $(\$11,658,831 + \$1,654,972)$ .
- The total increase in federal expenditures in FY17-18 is estimated to be \$4,793,704  $(\$3,353,984 + \$1,439,720)$ .
- The total recurring increase in federal expenditures beginning in FY18-19 is estimated to be \$8,147,689  $(\$6,707,969 + \$1,439,720)$
- Based on information provided by the District Attorney General Conference, the provisions of the proposed legislation can be accommodated within existing resources.
- Based on information provided by the Administrative Office of the Courts, the proposed legislation will not have a significant impact on trial courts; therefore, any fiscal impact is estimated to be not significant.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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